

**STATEMENT OF THE HONORABLE WM. LACY CLAY**

**Before the**

**SUBCOMMITTEE ON HOUSING AND COMMUNITY OPPORTUNITY**

**“Promoting the American Dream of Homeownership through Down payment Assistance”**

**April 8, 2003**

**Good afternoon, Mr. Chairman, Representative Waters and Members of the Committee. This can be the beginning of a wonderful opportunity for low income individuals and families seeking to buy a home.**

**Mr. Chairman, I support the idea that of assisting these potential home buyers with down payment and or closing costs monies. Indeed, it is these up-front costs that many find too difficult to save, thereby, preventing them from entering the home buying market. The American Dream Down payment Act is designed in principle to eliminate many of the out-of-pocket worries associated with the purchase of a home by low income and minority families. The Act is created as part of HUD’s HOME Investment Partnership Program that helps communities to increase the availability of affordable housing for low and moderate income families. The home program is subsidized through entitlement grants.**

**There are pluses to the HOME program in that individuals and organizations are familiar with the requirements for funding under this program. Theoretically, because the program is understood already, the resources will be quickly available to the participants. Additionally, it is felt by many that adjustments and improvements have been made to the HOME program during its existence to allow for a smooth transition of the American Dream of Homeownership through Down payment Assistance program.**

**Mr. Chairman, this would be a wonderful program were new monies appropriated to facilitate its operation. Unfortunately, other workable, effective programs have been left unfunded to allow for funds to be diverted to “The American Dream of Homeownership through Down payment Assistance. It gains the nation nothing to leave unfunded working, needed programs even if the replacement programs do work to some extent.**

**Housing is an area of concern that requires the efficient functioning of several programs that have different areas of focus. Housing needs more money appropriated, not working programs left unfunded so as to allow new programs funding.**

**Mr. Chairman, let us not kill working solutions just to change the name on the solutions. I ask unanimous consent to enter my statement into the record.**